GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:4
ANSWERED ON:21.07.2015
Rice Supply by Mills
Vanaroja Smt. R.

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether corruption involving financial dealings between Government institutions and rice mills in eight major rice producing States have been exposed in recent audit reports, if so, the details thereof and the reaction of the Government thereto along with the corrective steps taken in this regard;

(b) whether the accounts were allegedly manipulated to show supply of adequate quantity of rice by millers in lieu of paddy supplied to them;

(c) if so, the details thereof and the response of the Government thereto; and

(d) the action taken/proposed against those held responsible?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a): The Office of Comptroller and Auditor General (CAG) in its recently conducted performance audit on "milling of paddy procured for the Central Pool and delivery of rice to Food Corporation of India (FCI)/State Government and its agencies" covering different aspects relating to procurement of rice by State Agencies and FCI has issued a preliminary report to the Ministry.

The report covers various irregularities observed by the Office of CAG in the procurement process which inter-alia includes financial dealings between Government Institutions and rice millers. As per the preliminary report, most of the irregularities in the dealing with rice millers relates to State Government and their agencies. No specific irregularity involving any corruption has been reported in case of FCI.

An exit conference on the report of the CAG was held in the Ministry on 25.06.2015.

(b) & (c): The audit has reported short deliveries of rice by millers against paddy given to them by the States for milling. However, no specific case of manipulation of accounts to cover up short delivery of rice has been reported in case of FCI.

(d): Does not arise.
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